

Report to: West Yorkshire Combined Authority

Date: 12 October 2023

Subject: **Fair Work Charter**

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| Is this a key decision? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the report contain confidential or exempt information or appendices? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1: | |
| Are there implications for equality and diversity? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

1. Purpose of this Report

- 1.1 To provide an update on the Mayor of West Yorkshire's Fair Work Charter, including the next steps on its implementation.
- 1.2 To seek endorsement and approval of the Fair Work Charter and subsequently recommend that the Combined Authority becomes an early signatory to the Charter.

2. Information

Background and Drivers

- 2.1 The Mayor of West Yorkshire pledged to introduce a Charter to recognise the many employers in the region that are committed to Fair Work.
- 2.2 Mission 1 of the West Yorkshire Plan sets out the region's ambitions for "a prosperous West Yorkshire – an inclusive economy with well paid jobs". The Mayor's Fair Work Charter is an important part of achieving this mission by ensuring a fair and just economy that works for everyone. It will help to ensure West Yorkshire's workers receive the greatest possible employment security, best working conditions, as well as promoting greater employee wellbeing, workforce diversity, social mobility, and so accelerate Inclusive Growth.

2.3 Key underlying drivers for increasing access to Fair Work include the following:

- Too many people are working in poor quality jobs.
- Too many people are not paid enough to make ends meet.
- There are big pay gaps between groups of workers.
- Too many people are suffering from poor mental health.
- Too many working age people are not in work.

Design, Development and Employer Incentive

2.4 Extensive stakeholder engagement has been undertaken to develop the Charter. A Steering Group was established by the Mayor with breadth of representation (including public, private and third sectors, large, medium and small employer representation, universities, trade unions, and faith) to oversee its design and development. The Steering Group was chaired by former Leeds City Region Enterprise Partnership's Diversity Champion, Kate Hainsworth. The work of the Steering Group included a full public consultation in spring/summer 2022 and intensive engagement with businesses including smaller businesses in spring this year.

2.5 Becoming an early signatory to the Charter does not mean the employer already fulfils all the individual elements contained in the Charter, although it is anticipated that some may already be able to do so. Being able to demonstrate (and celebrate) that some tangible first steps have been taken - with a commitment to going on the journey of improvement - is the key requirement to be a signatory. For those employers who are not yet able to confirm that first steps have been taken, but still wish to engage with the Charter, support will be provided to help them start on their journey.

2.6 The overarching principle of the Charter is therefore to encourage employers across all our sectors, places and sizes to commit to going on a journey of improvement over time. The emphasis is on the journey rather than any given destination and there is a clear acknowledgement that employers are inevitably at different stages and may need different levels of support, including from their peers.

2.7 Throughout the development of the Charter, a compliance vs trust-based approach was considered and debated. The outcome of the extensive consultation concluded that lighter touch spot checking (with whistleblowing process) was the optimal means of delivering the intent of the Charter.

2.8 A key aspect of the Charter is to celebrate the great businesses who are leading by example in terms of fair and just work in West Yorkshire. Employers have stated that signing up to a meaningful Charter would confer benefits including the following:

- a clear framework and pathway for providing Fair Work;
- a greater ability to retain and recruit good staff;
- increased productivity, growth and profitability;

- Membership of a community of like-minded employers and partners provides peer group and other support.

The Charter

- 2.9 The vision for the Charter is: “to promote a thriving economy where businesses of all sizes and sectors can meet their ambitions and work together to ensure all the diverse people and communities of West Yorkshire contribute to, and benefit from, economic prosperity”.
- 2.10 The Charter is focused around 5 themes which are summarised below (see also the **Appendix** which sets out full details):

Opportunity

Employers are working towards an economy where all pathways into employment are inclusive, organisations use the best recruitment practices, and all people have access to flexible working arrangements. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Inclusive pathways into employment and career progression
- Inclusive recruitment practices
- Flexible working arrangements

Security

Employers are working towards an economy where all organisations go beyond legal minimums to pay staff at least the real Living Wage and maintain working conditions that provide security and dignity to all workers. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Fair pay and working hours
- Secure contracts and conditions
- Safe working environments

Wellbeing

Employers are working towards an economy where work helps all people to live healthy and happy lives, while contributing to the increased productivity of their employer. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 2 areas:

- Fostering good physical and mental health
- Support for wider aspects of wellbeing

Employee Voice

Employers are working towards an economy where all workers are empowered to contribute towards the success of their employer through positive relationships and effective communication. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 2 areas:

- Consultation and engagement
- Recognition and support for trade unions, where requested by workers.

Fulfilment

Employers are working towards an economy where work provides all people with the opportunity to learn, develop and meaningfully connect to a purpose that resonates with them. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Learning and development
- People management
- Supporting communities and good causes

Next Steps

2.11 The Charter will be formally launched on 24th November 2023. A number of activities have already been started to support this:

- Working with a range of potential early signatories/adopters to secure early commitment and build momentum for the journey ahead.
- Development of an online presence to enable organisations to signal interest, provide support and advocacy, and celebrate and recognise success.
- Commissioning a delivery partner to provide the initial interface with business, provide wraparound support, quicken the pace of sign up, and facilitate a community of adopters to be in place before the formal launch.
- Development of comms and marketing plan to promote and inspire, supported by a launch event in autumn 2023.

2.12 The impact of the first year of delivery will be evaluated after 9 - 12 months to determine lessons and recommend improvements for future years.

Early Adopters

2.13 As noted, work is underway to engage with potential early Charter signatories / adopters. These are from a range of sectors and sizes of employer to trigger a snowball effect. These early adopters could be celebrated in promotional material to further inspire and encourage other businesses to sign up.

2.14 It is envisaged that the potential early adopters (in addition to the Combined Authority), could include:

- A range of the region's private and third sector employers, including small businesses and organisations.
- Private sector members of the Business Economy and Innovation Committee, including the Federation of Small Businesses.
- Key local and regional anchor organisations including the ICB and West Yorkshire Local Authorities.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report. However, it is expected that the sign up could positively, indirectly impact of net zero targets.

4. Inclusive Growth Implications

4.1 The development of the Charter is driven by the Combined Authority and the Mayor's ambition to deliver a fair and just economic recovery, which is central to promoting Inclusive Growth.

5. Equality and Diversity Implications

5.1 The Charter has been designed to drive improvements in ED&I, e.g. in terms of inclusive recruitment practices, and ensuring employees have a voice in the workplace.

6. Financial Implications

6.1 Gainshare funding (£600k) has been previously approved for the development and implementation of the Charter and the requirement for any further resources will need to be considered in the context of the business planning process.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Combined Authority notes and welcomes the progress which has been made to establish the Mayor's Fair Work Charter, formally adopts the Charter, and endorses the proposed next steps.
- 10.2 That the Combined Authority agrees to becoming one of the Charter's early adopters, leading by example for the region.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 - Fair Work Charter